

Conference Engrossed

State of Arizona
Senate
Forty-fifth Legislature
First Regular Session
2001

CHAPTER 365

SENATE BILL 1302

AN ACT

AMENDING SECTION 36-2921, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA
HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-2921, Arizona Revised Statutes, is amended to
3 read:

4 36-2921. Tobacco tax allocation

5 A. Subject to the availability of monies in the medically needy
6 account established pursuant to section 36-774 the administration shall use
7 the monies in the account in the following order:

8 1. The administration shall withdraw the amount necessary to pay the
9 state share of costs for providing health care services to any person who is
10 eligible pursuant to section 36-2901, paragraph 4, subdivisions (a), (c) and
11 (h) and who becomes eligible for a heart, lung, heart-lung, liver or
12 autologous and allogeneic bone marrow transplant pursuant to section 36-2907,
13 subsection A, paragraph 11, subdivision (d) as determined by the
14 administrator and to any person who is eligible pursuant to section 36-2901,
15 paragraph 4, subdivision (b) and who becomes eligible for a lung or
16 heart-lung transplant pursuant to section 36-2907, subsection A, paragraph
17 11, subdivision (b), as determined by the administrator.

18 2. Beginning on August 1, 1995 and on the first day of each month
19 until July 1, 1998, the sum of one million two hundred fifty thousand dollars
20 shall be transferred from the medically needy account to the medical services
21 stabilization fund for uses as prescribed in section 36-2922.

22 3. The administration shall withdraw the sum of nine million two
23 hundred fifty-one thousand one hundred dollars in fiscal year 1998-1999 for
24 deposit in the children's health insurance program fund established by
25 section 36-2995 to pay the state share of the children's health insurance
26 program established pursuant to article 4 of this chapter.

27 4. From and after August 1, 1995 and each year thereafter, the
28 administration shall transfer the following monies to the department of
29 health services to be allocated as follows if the department awards a
30 contract:

31 (a) Five million dollars, for the mental health grant program
32 established pursuant to section 36-3414.

33 (b) Six million dollars, for primary care services established
34 pursuant to section 36-2907.05.

35 (c) Five million dollars, for grants to the qualifying community
36 health centers established pursuant to section 36-2907.06, subsection A.

37 5. The administration shall transfer up to five hundred thousand
38 dollars for fiscal years 1997-1998, 1998-1999 and 1999-2000 for pilot
39 programs providing detoxification services in counties having a population
40 of five hundred thousand persons or less according to the most recent United
41 States decennial census.

42 6. The administration shall transfer up to two hundred fifty thousand
43 dollars annually for fiscal years 1995-1996, 1996-1997, 1997-1998, 1998-1999
44 and 1999-2000 for telemedicine pilot programs designed to facilitate the

1 provision of medical services to persons living in medically underserved
2 areas as provided in section 36-2352.

3 7. The administration shall transfer up to two hundred fifty thousand
4 dollars annually beginning in fiscal year 1996-1997 for contracts by the
5 department of health services with nonprofit organizations that primarily
6 assist in the management of end stage renal disease and related problems.
7 Contracts shall not include payments for transportation of patients for
8 dialysis.

9 8. Contingent on the existence of a premium sharing demonstration
10 project fund, beginning October 1, 1996 and until September 30, 1999, the
11 administration shall withdraw the sum of twenty million dollars in each of
12 fiscal years 1996-1997, 1997-1998 and 1998-1999 for deposit in the premium
13 sharing demonstration project fund established by section 36-2923 to provide
14 health care services to any person who is eligible for an Arizona health care
15 cost containment system premium sharing demonstration program enacted by the
16 legislature. The Arizona health care cost containment system premium sharing
17 demonstration program enacted by the legislature shall not be an entitlement
18 program. Beginning on October 1, 1997, the administration shall annually
19 withdraw monies from the medically needy account not to exceed four per cent
20 of the sum of any monies transferred pursuant to this paragraph for
21 administrative costs associated with the premium sharing demonstration
22 project. Administrative costs in excess of two per cent shall be funded from
23 the interest payments from the twenty million dollars withdrawn from the
24 medically needy account to fund the premium sharing program pursuant to this
25 paragraph.

26 9. Subject to the availability of monies, the Arizona health care cost
27 containment system administration shall transfer to the department of health
28 services up to five million dollars in fiscal years 1996-1997 and 1997-1998
29 and two million five hundred thousand dollars in fiscal year 1998-1999 for
30 providing nonentitlement funding for a basic children's medical services
31 program established by section 36-2907.08. The administration may also
32 withdraw and transfer to the department amounts for program evaluation and
33 for administrative costs as prescribed in section 36-2907.08.

34 10. Subject to the availability of monies, the sum of one million
35 dollars shall be transferred annually to the health crisis fund for use as
36 prescribed in section 36-797.

37 11. Subject to the availability of monies, the Arizona health care cost
38 containment system administration shall transfer to the aging and adult
39 administration in the department of economic security the sum of five hundred
40 thousand dollars annually beginning in fiscal year 1997-1998 for services
41 provided pursuant to section 46-192, subsection A, paragraph 4. Services
42 shall be used for persons who meet the low income eligibility criteria
43 developed by the aging and adult administration.

1 12. Subject to the availability of monies, the Arizona health care cost
2 containment system administration shall transfer to the department of health
3 services the sum of two hundred thousand dollars annually beginning in fiscal
4 year 1998-1999 for contracts entered into pursuant to section 36-132,
5 subsection D, with hospitals that are licensed by the department of health
6 services and that perform nonrenal organ transplant operations. These
7 contracts shall not include payments for transportation to and from treatment
8 facilities.

9 13. Subject to the availability of monies, the Arizona health care cost
10 containment system administration shall annually transfer to the department
11 of health services the sum of one hundred eleven thousand two hundred dollars
12 to implement the rural private primary care provider loan repayment program
13 established pursuant to section 36-2174. The department shall not use these
14 monies for administrative costs. The transfers made pursuant to this
15 paragraph are exempt from the provisions of section 35-190 relating to
16 lapsing of appropriations.

17 14. SUBJECT TO THE AVAILABILITY OF MONIES, THE ADMINISTRATION SHALL
18 TRANSFER TO THE DEPARTMENT OF HEALTH SERVICES THE SUM OF ONE MILLION FIVE
19 HUNDRED THOUSAND DOLLARS IN FISCAL YEAR 2001-2002 TO AWARD A QUALITY RATING
20 FINANCIAL INCENTIVE GRANT TO EACH NURSING CARE INSTITUTION THAT RECEIVED IN
21 TWO CONSECUTIVE YEARS A QUALITY RATING OF EXCELLENT ON THE ANNUAL FACILITY
22 COMPLIANCE AND LICENSURE SURVEY CONDUCTED PURSUANT TO SECTION 36-425.02 AFTER
23 THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION REGARDLESS OF THE ACTUAL
24 DATE OF THE RESULTS OF THE SURVEY. A NURSING CARE INSTITUTION IS NOT
25 ELIGIBLE FOR A GRANT IF THE INSTITUTION RECEIVED A VIOLATION DETERMINED BY
26 THE DEPARTMENT TO BE WIDESPREAD WITH POTENTIAL FOR MORE THAN MINIMAL HARM,
27 OR A VIOLATION THAT RESULTED IN ACTUAL HARM OR THAT CONSTITUTES IMMEDIATE
28 JEOPARDY TO RESIDENT HEALTH AND SAFETY. A NURSING CARE INSTITUTION MUST USE
29 A GRANT AWARDED PURSUANT TO THIS PARAGRAPH ONLY FOR DIRECT CARE
30 NONADMINISTRATIVE STAFF TO IMPROVE THE QUALITY OF RESIDENT CARE. EACH
31 INDIVIDUAL INCENTIVE GRANT EQUALS THE AMOUNT THAT RESULTS BY DIVIDING ONE
32 MILLION FIVE HUNDRED THOUSAND DOLLARS BY THE TOTAL NUMBER OF CENSUS DAYS FOR
33 ALL FACILITIES THAT RECEIVED AN EXCELLENT RATING FOR THE APPLICABLE TIME
34 PERIOD AND MULTIPLYING THE RESULT BY THE TOTAL NUMBER OF CENSUS DAYS FOR THE
35 FACILITY RECEIVING THE GRANT, EXCEPT THAT THE DEPARTMENT MAY NOT AWARD AN
36 INCENTIVE GRANT OF MORE THAN ONE HUNDRED THOUSAND DOLLARS TO ANY ONE
37 INSTITUTION. THE DEPARTMENT MAY NOT AWARD AN INCENTIVE GRANT TO A FACILITY
38 THAT WAS PLACED ON A PROVISIONAL LICENSE DURING THE PREVIOUS TWELVE MONTHS
39 BEFORE THE AWARD OF THE INCENTIVE GRANT. IF THE FACILITY TRANSFERS
40 OWNERSHIP, THE DEPARTMENT SHALL AWARD THE INCENTIVE GRANT TO THE LICENSEE AT
41 THE TIME OF THE AWARD. A FACILITY THAT CEASES OPERATION BEFORE AN ANNUAL
42 INCENTIVE GRANT DISTRIBUTION DATE IS NOT ELIGIBLE FOR AN INCENTIVE
43 GRANT. THE TRANSFER MADE PURSUANT TO THIS PARAGRAPH IS EXEMPT FROM THE
44 PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. FOR THE
45 PURPOSES OF THIS PARAGRAPH, "CENSUS DAY" MEANS EACH DAY AN INDIVIDUAL

1 INPATIENT BED IS OCCUPIED BASED ON THE MOST RECENTLY FILED FINANCIAL
2 STATEMENT OF A FACILITY PURSUANT TO SECTION 36-125.04. THE DEPARTMENT MAY
3 APPLY FOR AVAILABLE MATCHING FEDERAL FUNDS.

4 B. The department of health services shall establish an accounting
5 procedure to ensure that all funds transferred pursuant to this section are
6 maintained separately from any other funds.

7 C. The administration shall annually withdraw monies from the
8 medically needy account in the amount necessary to reimburse the department
9 of health services for administrative costs to implement each program
10 established pursuant to subsection A of this section not to exceed four per
11 cent of the amount transferred for each program.

12 D. The administration shall annually withdraw monies from the
13 medically needy account in the amount necessary to reimburse the department
14 of health services for the evaluations as prescribed by section 36-2907.07.

15 E. The administration shall annually report, no later than November
16 1, to the director of the joint legislative budget committee the annual
17 revenues deposited in the medically needy account and the estimated
18 expenditures needed in the subsequent year to provide funding for services
19 provided in subsection A, paragraph 1 of this section. The administration
20 shall immediately report to the director of the joint legislative budget
21 committee if at any time the administration estimates that the amount
22 available in the medically needy account will not be sufficient to fund the
23 maximum allocations established in this section.

24 Sec. 2. Nursing care institutions; surveys; report

25 On or before November 1, 2001, the department of health services shall
26 submit a report to the health committees of reference in the house of
27 representatives and the senate on the new criteria and a rating system for
28 annual facility compliance and licensure surveys conducted pursuant to
29 section 36-425.02, Arizona Revised Statutes.

APPROVED BY THE GOVERNOR MAY 7, 2001.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 8, 2001.

Passed the House April 24, 20 01,

by the following vote: 50 Ayes,

5 Nays, 5 Not Voting


Arthur
Speaker of the

Norman L. Joyce
Chief Clerk of the House

Passed the Senate March 15, 20 07

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting


President of the

Charmain Billington
Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill was received by the Governor this

~~day of~~ , 20 .

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of _____

_____ , 20____ ,

at _____ o'clock _____ M.

Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at o'clock M.

~~Secretary of State~~

S.B. 1302

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House May 02, 2001,

by the following vote: 49 Ayes,

7 Nays, 4 Not Voting

Jake Flake
Speaker of the House
Pro Tempore
Norman L. Moore
Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate May 2, 2001,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

Radwan Arant
President of the Senate
Charmine Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 2 day of May, 2001,

at 4:26 o'clock P M.

Jandra Ramirez
Secretary to the Governor

Approved this 7 day of

May, 2001,

at 3:56 o'clock P M.

Janet Lee Hull
Governor of Arizona

S.B. 1302

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 8 day of May, 2001,

at 2:35 o'clock P M.

Debra Taylor
Secretary of State